

NEW ORLEANS MUSEUM OF ART**Financial Statements and Schedules****December 31, 2006****With Independent Auditors' Report Thereon**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/5/07

**Postlethwaite & Netterville**

A Professional Accounting Corporation

www.pncpa.com

NEW ORLEANS MUSEUM OF ART

Year ended December 31, 2006

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Postlethwaite & Netterville

A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

Independent Auditors' Report

The Board of Trustees
New Orleans Museum of Art:

We have audited the accompanying statements of financial position of the New Orleans Museum of Art (the Museum) as of December 31, 2006 and 2005, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Museum's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the New Orleans Museum of Art as of December 31, 2006 and 2005, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2007 on our consideration of the Museum's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Postlethwaite & Netterville

Metairie, Louisiana
June 30, 2007

NEW ORLEANS MUSEUM OF ART

Statements of Financial Position

December 31, 2006 and 2005

Assets		2006	2005
Current assets:			
Cash	\$	90,304	153,778
Investments, short-term (note 2)		6,845,468	2,915,351
Receivables:			
Promises to give (note 4)		575,291	583,576
Other		245,367	1,785,975
Inventories		255,247	255,075
Prepaid assets		62,184	25,934
Deposits and other		7,390	150,356
Total current assets		8,081,251	5,870,045
Promises to give, long-term (note 4)		26,570	676,785
Investments (note 2)		29,184,638	25,801,361
Building improvements and equipment, net (note 3)		14,855,712	15,359,109
Total assets	\$	52,148,171	47,707,300
Liabilities and Net Assets			
Current liabilities:			
Accounts payable, accruals and other liabilities	\$	418,077	1,923,603
Accumulated unused sick and annual leave		620,710	595,837
Total current liabilities		1,038,787	2,519,440
Other Liabilities		26,533	27,030
Total liabilities		1,065,320	2,546,470
Net assets:			
Unrestricted:			
Unrestricted, operating		584,072	174,108
Board designated, investment in building		14,820,463	15,359,109
Board designated, functioning as endowments		9,554,667	5,447,115
Total unrestricted net assets		24,959,202	20,980,332
Temporarily restricted		8,153,378	6,298,242
Permanently restricted		17,970,271	17,882,256
Net assets		51,082,851	45,160,830
Total liabilities and net assets	\$	52,148,171	47,707,300

See accompanying notes to financial statements.

NEW ORLEANS MUSEUM OF ART

Statements of Activities

Years ended December 31, 2006 and 2005

	2006			2005				
	Unrestricted	Temporarily restricted	Permanently restricted	Total	Unrestricted	Temporarily restricted	Permanently restricted	Total
Interest and dividends	225,953	145,496	-	371,449	40,290	33,485	-	73,775
Net appreciation in investments	1,694,161	1,498,012	-	3,192,173	637,973	1,067,579	-	1,705,552
Royalties	5,107	-	-	5,107	5,834	-	-	5,834
Deaccessions	-	75,664	32,110	107,774	-	684,045	146,682	830,727
Museum shop	157,233	-	-	157,233	166,255	-	-	166,255
Museum cafe'	-	-	-	-	72,008	-	-	72,008
Total revenue	2,792,477	1,746,345	32,110	4,570,932	1,727,097	1,788,780	146,682	3,662,559
Total support and revenue before net assets released from restrictions/transferred	7,932,365	2,228,529	88,015	10,248,909	6,184,272	2,515,953	283,641	8,983,866
Net assets released from restrictions/transferred (note 6):								
Net assets released from restrictions	82,220	(82,220)	-	-	1,027,870	(1,027,870)	-	-
Transfers	291,173	(291,173)	-	-	269,594	(269,594)	-	-
Total net assets released/transferred	373,393	(373,393)	-	-	1,297,464	(1,297,464)	-	-
Total revenue and support	8,305,758	1,855,136	88,015	10,248,909	7,481,736	1,218,489	283,641	8,983,866

(Continued)

NEW ORLEANS MUSEUM OF ART

Statements of Activities

Years ended December 31, 2006 and 2005

	2006			2005				
	Unrestricted	Temporarily restricted	Permanently restricted	Total	Unrestricted	Temporarily restricted	Permanently restricted	Total
Expenses:								
Administrative	\$ 806,575	-	-	806,575	972,193	-	-	972,193
Building/Security/Sculpture Garden	780,128	-	-	780,128	720,484	-	-	720,484
Museum Shop	156,373	-	-	156,373	170,984	-	-	170,984
Museum cafe'	13,586	-	-	13,586	109,964	-	-	109,964
Art division:								
Collections	1,018,962	-	-	1,018,962	1,180,327	-	-	1,180,327
Art accessions not capitalized (note 5)	57,043	-	-	57,043	847,109	-	-	847,109
Exhibition programs	351,120	-	-	351,120	325,555	-	-	325,555
Art Quarterly	88,007	-	-	88,007	81,840	-	-	81,840
Education programs	140,917	-	-	140,917	304,096	-	-	304,096
Development and fund raising	334,204	-	-	334,204	549,585	-	-	549,585
Member activities and other restricted activities	62,256	-	-	62,256	146,151	-	-	146,151
Katrina recovery	517,717	-	-	517,717	1,181,128	-	-	1,181,128
Total expenses	4,326,888	-	-	4,326,888	6,589,416	-	-	6,589,416
Change in net assets	3,978,870	1,855,136	88,015	5,922,021	892,320	1,218,489	283,641	2,394,450
Net assets at beginning of year	20,980,332	6,298,242	17,882,256	45,160,830	20,088,012	5,079,753	17,598,615	42,766,380
Net assets at end of year	\$ 24,959,202	8,153,378	17,970,271	51,082,851	20,980,332	6,298,242	17,882,256	45,160,830

See accompanying notes to financial statements.

NEW ORLEANS MUSEUM OF ART

Statements of Cash Flows

Years ended December 31, 2006 and 2005

	2006	2005
Cash received from operating activities:		
Cash received from government entities	\$ 1,537,086	294,809
Cash received from contributors	5,494,094	2,390,070
Cash received from sales of art	107,774	830,727
Cash received from memberships and member activities	742,301	2,519,794
Cash received from auxiliary operations	157,233	238,263
Interest, royalties and dividends received	372,208	73,775
Cash paid to employees and suppliers	(5,106,562)	(4,410,211)
Cash paid for art acquisitions	(57,043)	(847,109)
Net cash provided by operating activities	3,247,091	1,090,118
Cash flows used in investing activities:		
Purchase of investments	(7,236,488)	(2,630,431)
Maturities/sales of investments	3,115,267	1,286,463
Purchases of building and equipment	(35,249)	-
Net cash used in investing activities	(4,156,470)	(1,343,968)
Cash flows provided by financing activities:		
Proceeds from contributions, permanently restricted	845,905	343,959
Net cash provided by investing activities	845,905	343,959
Net increase (decrease) in cash and cash equivalents	(63,474)	90,109
Cash and cash equivalents at beginning of year	153,778	63,669
Cash and cash equivalents at end of year	\$ 90,304	153,778
Reconciliation of changes in net assets to net cash provided by operating activities:		
Changes in net assets	\$ 5,922,021	2,394,450
Adjustments for long-term income and non-cash expenses:		
Permanently restricted contributions	(55,905)	(136,959)
Appreciation of investments	(3,192,173)	(1,705,551)
Depreciation	538,646	546,471
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
(Increase) decrease in current assets and long-term promises to give	1,515,652	(786,751)
Increase (decrease) in current liabilities	(1,481,150)	778,458
Net cash provided by operating activities	\$ 3,247,091	1,090,118

See accompanying notes to financial statements.

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2006

(1) Summary of Significant Accounting Policies

(a) *History and Organization*

The New Orleans Museum of Art (the Museum) opened in 1911 and is an invaluable cultural, educational and recreational resource serving the City of New Orleans, the State of Louisiana and the entire Gulf South with programs and exhibitions designed to cultivate, promote and inspire the knowledge, love and appreciation of the fine arts. The Museum is organized as a private, nonprofit corporation, chartered in the State of Louisiana and granted 501(c) (3) status by the Internal Revenue Service. It is governed by a 37-member Board of Trustees, serving staggered three-year terms. The Museum is affiliated with the City of New Orleans as an unattached board.

(b) *Financial Statement Presentation*

The financial statements of the Museum are presented on the accrual basis of accounting. Net assets, support and revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Museum and changes therein are classified and reported as follows:

- Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Museum and/or the passage of time.
- Permanently restricted net assets - Net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by actions of the Museum pursuant to those stipulations.

(c) *Promises to Give*

Contributions are recognized when the donor makes a promise to give to the Museum that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. The Museum provides for an allowance for uncollectible unconditional promises receivable when necessary. Substantially all long-term promises to give are discounted using appropriate rates as of December 31.

(d) *Building Improvements and Equipment*

Building improvements and equipment are recorded at cost. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis.

(e) *Vacation and Sick Pay*

The Museum's vacation pay (annual leave) and sick pay (sick leave) are accrued when earned. The Museum's policy permits employees a limited amount of earned but unused vacation which will be paid to employees upon separation from the Museum. The amount of annual leave shall not exceed ninety (90) days for employees hired before January 1, 1979, and forty-five (45) days for employees hired after December 31, 1978.

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2006

(1) Summary of Significant Accounting Policies (continued)

Sick leave is accumulated by all employees hired prior to December 31, 1978 at an accrual rate of .923 of a work day for each bi-weekly pay period. For employees appointed subsequent to December 31, 1978, the accrual is .5 of a work day for each bi-weekly period plus a two (2) day bonus for each employee with six (6) through fifteen (15) calendar years of continuous service, and seven (7) bonus days for employees with sixteen (16) or more calendar years of continuous service.

Upon separation from the Museum, an employee may elect to convert unused sick leave for retirement credits or cash. The conversion to cash is determined by a rate ranging from one day of pay for five days of leave for the 1st through 100th leave day to one (1) day of pay for one (1) day of leave for all days in excess of the 400th leave day.

(f) *Investments*

Investments, consisting of common stocks, limited partnership hedge funds, corporate bonds, and U.S. government and agency issues, are recorded at market value. Unrealized gains and losses on investments in equity securities with readily determinable fair values and all investments in debt securities are recorded in the statement of activities as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or law. Dividend, interest and other investment income is recorded as increases in unrestricted net assets unless the use is restricted by the donor. Donated investments are recorded at fair market value at the date of receipt. Real property contributed to the Museum is recorded at fair value at the date of the donation.

(g) *Inventory*

The Museum's shop inventory is valued at the lower of cost or market. Cost is determined by the first-in, first-out method.

(h) *Income Taxes*

The Museum is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code and from state income taxes under Section 121(5) of Title 47 of the Louisiana Revised Statutes of 1950.

(i) *Restricted Net Assets*

The Museum reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities as net assets released from restrictions.

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2006

(1) Summary of Significant Accounting Policies (continued)

Gifts of long-lived operating assets such as land, buildings or equipment are reported as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long these long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

(j) Use of Estimates

Management of the Museum has made estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

(k) Cash and Cash Equivalents

For the purposes of the statements of cash flows, cash and cash equivalents include bank deposits and money market accounts.

(2) Investments

The market value of investments is as follows at December 31:

	2006	2005
Cash Equivalents	\$ 7,018,813	3,179,756
U.S. Government Securities	317,444	33,566
Corporate Bonds	4,034,457	3,864,239
Corporate Stocks	22,270,935	17,115,901
Limited Partnership Hedge Funds	1,952,197	4,086,990
Real property	436,260	436,260
	<u>\$ 36,030,106</u>	<u>28,716,712</u>

Reconciliation to the statements of financial position is as follows:

	2006	2005
Short-term investments	\$ 6,845,468	2,915,351
Long-term investments	<u>29,184,638</u>	<u>25,801,361</u>
	<u>\$ 36,030,106</u>	<u>28,716,712</u>

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2006

(2) Investments (continued)

Investments are held for the following purposes:

	<u>2006</u>	<u>2005</u>
Unrestricted:		
Operating	\$ 4,621,677	1,882,690
Board designated, functioning as endowments	5,767,126	3,484,200
	<u>10,388,803</u>	<u>5,366,890</u>
Temporarily restricted:		
Capital	<u>594,719</u>	<u>346,393</u>
Operating:		
Books/library	86,711	60,498
Curatorship, functioning as endowments	860,861	579,048
Directorship, functioning as endowments	429,995	288,913
Education	17,201	3,205
Exhibition/program	430,920	36,527
Gallery maintenance	149,500	129,510
General program	74,704	64,210
Scholar program	121,259	163,746
	<u>2,171,151</u>	<u>1,672,050</u>
Art accessions	<u>5,236,629</u>	<u>4,558,486</u>
	<u>8,002,499</u>	<u>6,230,536</u>
Permanently restricted:		
Curatorship	2,000,000	2,000,000
Directorship	1,000,000	1,000,000
Education	40,938	41,435
Gallery maintenance	118,782	118,782
General program	9,650,280	9,165,750
Scholar program	357,143	357,143
	<u>13,167,143</u>	<u>12,683,110</u>
Art accessions	<u>4,471,661</u>	<u>4,436,176</u>
	<u>17,638,804</u>	<u>17,119,286</u>
	<u>\$ 36,030,106</u>	<u>28,716,712</u>

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2006

(2) Investments (continued)

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31:

	2006	2005
Dividends and interest	\$ 371,449	73,775
Net realized and unrealized gains:		
Realized	16,378	3,595
Unrealized	3,175,795	1,701,957
	3,192,173	1,705,552
Total return on investments	\$ 3,563,622	1,779,327

Dividends, interest and unrealized and realized gains on permanently restricted investments are reflected in the related unrestricted or temporarily restricted net assets. If the permanent and the temporarily restricted funds do not have sufficient net assets to fund investment losses, appropriate transfers from the unrestricted net assets are made to the funds.

(3) Building Improvements and Equipment

Building improvements and equipment consist of the following at December 31:

2006	Cost	Accumulated Depreciation	Net	Estimated useful lives
Building	\$ 17,125,416	(5,749,978)	11,375,438	40 years
Computers	476,847	(434,369)	42,478	5 years
Vehicle	78,685	(48,322)	30,363	5 years
Land Improvements	450,106	(56,260)	393,846	40 years
Sculpture Garden	3,257,932	(244,345)	3,013,587	40 years
	\$ 21,388,986	(6,533,274)	14,855,712	
2005	Cost	Accumulated Depreciation	Net	Estimated useful lives
Building	\$ 17,125,416	(5,326,961)	11,798,455	40 years
Computers	476,845	(416,294)	60,551	5 years
Vehicle	62,940	(62,940)	-	5 years
Land Improvements	450,076	(45,008)	405,068	40 years
Sculpture Garden	3,257,932	(162,897)	3,095,035	40 years
Total	\$ 21,373,209	(6,014,100)	15,359,109	

Depreciation expense in 2006 and 2005 was \$538,646 and \$546,471, respectively.

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2006

(4) Promises to Give

Promises to give are dedicated by the donors for the Museum's Endowment/Sculpture Garden and represent a promise by the donors to pay after the balance sheet date.

Scheduled payments, net of discounts, are as follows at December 31, 2006:

2007	\$ 749,235
2008	12,500
2009 and thereafter	<u>15,433</u>
	777,168
Less allowance for uncollectible pledges and discount	<u>(175,307)</u>
Promises to give, net	\$ <u>601,861</u>

Scheduled promises to give which are due in fiscal year 2007 totaled \$575,291; promises to give expected to be collected over the long-term total \$26,570, net.

(5) Art Collection

In conformity with the practice followed by many museums, art purchased and donated is not capitalized. During 2006 and 2005, the cost of collection items purchased by the Museum as a decrease in the appropriate class of net assets was \$57,043 and \$847,109. When not on display in the permanent collection galleries, the objects are maintained in climate controlled storage. The Museum maintains policies and procedures addressing the maintenance and conservation of the collection, as well as other aspects of its management, including accession/deaccession policies.

The Museum has the largest and most complete repository of fine art in the State of Louisiana and is recognized nationally as one of the leading art institutions serving the public. In particular, the Museum has a national reputation of a 3,500 year history of glass; an in-depth 150 year history of photographs; Japanese screens and scroll paintings of the Edo Period; a 500 year survey of Chinese earthenware, porcelain, and stone sculptures; 17th through 20th century French paintings; Italian and Spanish paintings from the Renaissance and Baroque periods; 16th through 18th century paintings from the "Low Countries" of Northern Europe; tribal arts of sub-Saharan Africa; 18th and 19th century French hard-paste, bone and Parian porcelain; 20th century American art pottery; Spanish colonial Latin American paintings and sculpture; English and continental portrait miniatures; jeweled objects de vertu by Peter Carl Faberge; 18th to 20th century American paintings and sculptures; 18th and 19th century American and English silver; and the arts of pre-Columbian Mexico, Central and South America, and native North American Indians.

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2006

(5) Art Collection (continued)

The Museum employs a professional curatorial staff whose function is to care for its collections; carry out research on the objects in the collection; organize special exhibitions on particular subjects or themes; write scholarly interpretative articles, catalogues and books on art subjects; recommend and oversee needed restoration and conservation treatment on objects in the collection; cultivate and advise private art collectors and encourage donations; seek out and recommend objects for acquisition or deaccession by the Museum; train volunteer docents to give guided tours of the Museum; devise and implement educational programs such as lectures, symposiums, films, concerts, family festivals on specific themes, studio art classes, and other outreach methods; family and teacher workshops, and "Summer in the City" day camp for inner-city children.

(6) Net Assets

Temporarily restricted net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors during December 31 and transfers are as follows:

	<u>2006</u>	<u>2005</u>
Purpose accomplished:		
Administrative and other activities	\$ 291,173	309,377
Art exhibitions and collections	-	2,297
Art accessions	56,643	847,109
Capital	1,221	118,814
Development division	-	1,465
Member activities and restricted activities	<u>24,356</u>	<u>18,402</u>
	<u>\$ 373,393</u>	<u>1,297,464</u>

Board-designated, functioning as endowments, unrestricted net assets are designated to support the following:

	<u>2006</u>	<u>2005</u>
Operations	\$ 8,888,728	5,253,072
Exhibits/art	<u>665,939</u>	<u>194,043</u>
	<u>\$ 9,554,667</u>	<u>5,447,115</u>

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2006

(6) Net Assets (continued)

Temporarily restricted net assets are donor-restricted for the following purposes:

	<u>2006</u>	<u>2005</u>
Capital	\$ 813,772	765,579
Art accessions	5,168,465	4,148,997
Directorship	429,995	287,900
Curatorship	860,861	577,023
Operation, including scholar and general	196,099	295,551
Gallery maintenance and exhibits	580,513	159,477
Books/Library	86,723	60,510
Education	16,950	3,205
	<u>\$ 8,153,378</u>	<u>6,298,242</u>

Permanently restricted net assets, investments in perpetuity, the income from which can be used in accordance with donor restrictions, are as follows:

	<u>2006</u>	<u>2005</u>
Operations	\$ 10,008,280	9,955,750
Art accessions	4,471,661	4,436,176
Curatorship	2,000,000	2,000,000
Directorship	1,000,000	1,000,000
Scholar program	357,143	357,143
Gallery maintenance	118,782	118,782
Education	14,405	14,405
	<u>\$ 17,970,271</u>	<u>17,882,256</u>

(7) Pension Plan

Civil service employees of the Museum are eligible for membership in the City of New Orleans Employees' Retirement System. The report on the City of New Orleans Employee's Retirement System can be obtained from the City of New Orleans, Perdido Street, New Orleans, Louisiana. The actuarially computed value of vested benefits of the Museum's employees in the City's pension plan is not available. However, pension payments for these employees are the responsibility of the Museum.

Effective January 1, 2000, the Museum has adopted a Defined Benefit Pension Plan for non-Civil Service employees. An employee will be vested in the plan after completing five years of full-time service. The Museum's pension expense for 2006 and 2005 totaled \$39,029 and \$78,073. These funds are held with the Whitney Trust and Wealth Management in trust for the benefit of the participants.

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2006

(7) Pension Plan (continued)

In 2000, the Museum established a defined benefit retirement plan (the Plan) for any employee who is eligible for participation upon his anniversary date nearest completion of one year of service and attainment of age 21. On April 23, 2001, the Museum received a favorable determination letter on their plan from the Internal Revenue Service.

The normal retirement date is the first day of the month that coincides with or next following a participant's 65th birthday or later. The normal retirement benefit is paid monthly beginning on the participant's normal retirement date in an amount equal to 1.5% of the average of the final five years' compensation multiplied by the years of service at retirement. Early retirement for a participant can begin on the first day of the month following his attainment of age 55 and completion of 10 years of service. Disability retirement is available upon total and permanent disability with 10 years of service. Participants vest 100% after five years of service or the attainment of normal retirement age.

The most recent projected pension benefit obligations were computed based on the actuarial valuation performed as of January 1, 2006 and 2005 for the years ended December 31, 2006 and 2005, respectively. Significant actuarial assumptions used in the valuation include (a) 1983 Group Annuity Mortality Table (unisex rates) at 7% interest to the normal form of benefit; (b) a rate of return on the investment of present and future assets of 7.5% per year compounded annually, and (c) projected salary increases including an inflation component of 3% compounded annually. The Museum bears all costs of the Plan. The cost method used is the frozen initial liability cost method. The Museum contributes at least the minimum contribution required by the Internal Revenue Code and ERISA. The Museum contributes such amounts as are necessary to provide assets sufficient to meet the benefits to be paid to Plan participants. The contributions of the Museum are made in amounts, determined by an enrolled actuary, sufficient to fund the Plan's current service cost plus amortization of any unfunded amounts over 30 years.

The following table sets forth the plan's funded status and amounts recognized in the Museum's statement of financial position as of December 31:

	2006	2005
Actuarial present value of benefit obligation:		
Vested benefit obligation	\$ 493,442	570,180
Nonvested benefit obligation	24,020	33,876
Accumulated benefit obligation	517,462	604,056
Effect of projected future compensation Levels	20,421	29,019
Projected benefit obligation for service rendered to date	537,883	633,075

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2006

(7) Pension Plan (continued)

	<u>2006</u>	<u>2005</u>
Projected benefit obligation for service rendered to date, continued from previous page	\$ 537,883	633,075
Less plan assets at fair value	<u>(450,736)</u>	<u>(348,949)</u>
Deficiency in plan assets over projected benefit obligation	(87,147)	(284,126)
Unrecognized prior service cost	18,812	21,164
Unrecognized additional liability	(5,582)	(148,508)
Unrecognized net asset	<u>7,191</u>	<u>156,363</u>
Accrued pension liability included in accounts payable and other liabilities in the statements of financial position	\$ <u>(66,726)</u>	<u>(255,107)</u>

Included in deposits and other in the statement of financial position at December 31, 2006 and 2005 is an intangible asset of \$5,582 and \$148,508, respectively, which will be amortized as actuarially determined.

Net periodic pension cost included the following components for the years ended December 31 and is as follows:

	<u>2006</u>	<u>2005</u>
Service cost - benefits earned during the period	\$ 17,481	53,704
Interest cost on projected benefit obligation	34,134	29,093
Actual return on plan assets	(40,297)	(4,149)
Net amortization and deferral	<u>27,711</u>	<u>83,869</u>
Net periodic pension expense	\$ <u>39,029</u>	<u>162,517</u>

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2006

(8) Expenses

Expenses by natural classification and function have been incurred for the following:

Year ended December 31, 2006							
Program							
	Total	Adminis- trative and general	Arts	Education	Develop- ment	Fund- raising	Total
Salaries, wages and benefits	\$ 1,516,977	759,665	514,785	80,841	161,686	-	757,312
Contractual services and materials	1,618,498	822,953	526,402	8,097	206,417	54,629	795,545
Cost of goods sold	78,008	78,008	-	-	-	-	-
Depreciation	538,645	58,173	414,057	51,979	14,436	-	480,472
Katrina recovery	517,717	-	252,493	-	-	265,224	517,717
Art accessions	<u>57,043</u>	<u>-</u>	<u>57,043</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,043</u>
	<u>\$ 4,326,888</u>	<u>1,718,799</u>	<u>1,764,780</u>	<u>140,917</u>	<u>382,539</u>	<u>319,853</u>	<u>2,608,089</u>

Year ended December 31, 2005							
Program							
	Total	Adminis- trative and general	Arts	Education	Develop- ment	Fund- raising	Total
Salaries, wages and benefits	\$ 2,552,117	1,199,331	860,338	193,851	298,597	-	1,352,786
Contractual services and materials	1,352,335	751,192	389,305	57,530	42,916	111,392	601,143
Cost of goods sold	110,256	110,256	-	-	-	-	-
Depreciation	546,471	58,997	419,919	52,715	14,840	-	487,474
Katrina recovery	1,181,128	1,181,128	-	-	-	-	-
Art accessions	<u>847,109</u>	<u>-</u>	<u>847,109</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>847,109</u>
	<u>\$ 6,589,416</u>	<u>3,300,904</u>	<u>2,516,671</u>	<u>304,096</u>	<u>356,353</u>	<u>111,392</u>	<u>2,516,671</u>

NEW ORLEANS MUSEUM OF ART

Notes to Financial Statements

December 31, 2006

(9) Commitments and Contingencies

The Museum is party to a lawsuit in the ordinary course of its business. In the opinion of management, the effects of these suits, if any, will not have a material adverse effect.

The Museum participated in a number of state and federally-assisted grant programs in fiscal year 2006. The programs are subject to compliance audits. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. The Museum believes that the amount of disallowances, if any, which may arise from future audits, will not be material to the financial statements.

(10) Hurricane Katrina

Hurricane Katrina devastated the Greater New Orleans area and the Mississippi Gulf Coast on August 29, 2005. The Museum and the Sculpture Garden were closed for several months following the hurricane. The Museum incurred flood and other damages due to the hurricane as well as an impact to planned exhibitions, fund raisers, employees and membership. The Museum incurred additional expenses of \$1,181,128 in 2005 as a result of the hurricane. This amount is recognized in the Statement of Activities and Changes in Net Assets as an extraordinary expense. These expenses are covered by FEMA reimbursements of which \$1,165,265 is included in accounts receivable as of December 31, 2005. The net book value of property and equipment damaged by the hurricane is approximately \$6 million most of which is covered by insurance through the City of New Orleans and FEMA.

NEW ORLEANS MUSEUM OF ART
Combining Schedule of Financial Position
December 31, 2006

Schedule 1

Assets	Operating	Operating Building and Equipment	Endowment (Board Designated)	NOMA Volunteer Committee (Operating)	Pension Reserve (Operating)	Fellows (Program)	Degado Society (Program)	Partners in Art (Program)	Advocates (Program)
Current assets:									
Cash	\$ 40,493	-	-	17,258	-	-	-	-	-
Investments	954,833	-	134,000	135,023	-	96,404	50,517	27,964	12,835
Receivables:									
Interest	1,592	-	-	-	40	4	41	33	22
Promises to give	-	-	-	-	-	-	-	-	-
Grants	211,744	-	-	-	-	-	-	-	-
Inventories	255,247	-	-	-	-	-	-	-	-
Prepaid assets and other assets	62,184	-	-	-	-	-	-	-	-
Due from/to other funds	35,249	-	-	-	39,029	-	-	-	-
Deposits and other	1,848	-	-	-	5,542	-	-	-	-
Total current assets	1,563,190	-	134,000	152,281	44,611	96,408	50,558	27,997	12,857
Promises to give	-	-	-	-	-	-	-	-	-
Investments, long-term	7,061	-	4,621,677	-	265,197	959	130	-	-
Investment - Real Property	-	-	-	-	-	-	-	-	-
Building improvements and equipment	-	14,855,712	-	-	-	-	-	-	-
Total assets	\$ 1,570,251	14,855,712	4,755,677	152,281	309,808	97,367	50,688	27,997	12,857
Liabilities and Net Assets									
Current liabilities:									
Accounts payable and other liabilities	248,178	-	-	-	61,144	-	-	-	-
Salaries, taxes, withholdings and pension payable	78,262	-	-	-	5,582	-	-	-	-
Accumulated unused sick and vacation	620,710	-	-	-	-	-	-	-	-
Due to other funds	39,029	35,249	-	-	-	-	-	-	-
Total current liabilities	986,179	35,249	-	-	66,726	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-
Total liabilities	986,179	35,249	-	-	66,726	-	-	-	-
Net assets:									
Unrestricted	584,072	14,820,463	4,755,677	152,281	243,082	97,367	50,688	27,997	12,857
Restricted:									
Temporarily:	-	-	-	-	-	-	-	-	-
Long-term restriction	-	-	-	-	-	-	-	-	-
Available for use	-	-	-	-	-	-	-	-	-
Permanently	-	-	-	-	-	-	-	-	-
Total net assets	584,072	14,820,463	4,755,677	152,281	243,082	97,367	50,688	27,997	12,857
Total liabilities and net assets	\$ 1,570,251	14,855,712	4,755,677	152,281	309,808	97,367	50,688	27,997	12,857

See accompanying independent auditors' report.

NEW ORLEANS MUSEUM OF ART
Combining Schedule of Financial Position
December 31, 2006

Schedule 1

Assets	Chambliss (Program)	Edith Stern (Program)	Katrina Relief Fund	Collector Society	Subtotal Unrestricted Net Assets	Columb House Foundation	Deaccessions (Art Purchase)	Portrait Miniature (Art Purchase)	Boles (Art Purchase)
Current assets:									
Cash	\$ 4,357	33,328	32,553	-	90,304	-	-	-	-
Investments	-	-	3,564,597	43,641	5,057,493	69,916	313,045	40,201	-
Receivables:									
Interest	6	32	125	71	1,966	-	767	82	-
Promises to give	-	-	-	-	-	-	-	-	-
Grants	-	-	30,000	-	241,744	-	-	-	-
Inventories	-	-	-	-	255,247	-	-	-	-
Prepaid assets and other assets	-	-	-	-	62,184	-	-	-	-
Due from/to other funds	-	-	69,728	-	144,006	-	-	-	-
Deposits and other	-	-	-	-	7,390	-	-	-	-
Total current assets	4,357	33,360	3,697,003	43,712	5,860,334	69,916	313,812	40,283	-
Promises to give	-	-	-	-	-	-	-	-	-
Investments, long-term	-	238	436,048	-	5,331,310	-	1,005,232	-	936,117
Investment - Real Property	-	-	-	-	-	-	-	-	-
Building improvements and equipment	-	-	-	-	14,855,712	-	-	-	-
Total assets	\$ 4,357	33,598	4,133,051	43,712	26,047,356	69,916	1,319,044	40,283	936,117
Liabilities and Net Assets									
Current liabilities:									
Accounts payable and other liabilities	-	-	-	-	309,322	-	-	-	-
Salaries, taxes, withholdings and pension payable	-	-	-	-	83,844	-	-	-	-
Accumulated unused sick and vacation	-	-	-	-	620,710	-	-	-	-
Due to other funds	-	-	-	-	74,278	-	69,383	-	-
Total current liabilities	-	-	-	-	1,088,154	-	69,383	-	-
Other liabilities	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	1,088,154	-	69,383	-	-
Net assets:									
Unrestricted	4,357	33,598	4,133,051	43,712	24,959,202	-	-	-	-
Restricted:									
Temporarily:	-	-	-	-	-	-	-	-	596,600
Long-term restriction	-	-	-	-	-	69,916	1,249,661	40,283	339,517
Available for use	-	-	-	-	-	-	-	-	-
Permanently	-	-	-	-	-	-	-	-	-
Total net assets	4,357	33,598	4,133,051	43,712	24,959,202	69,916	1,249,661	40,283	936,117
Total liabilities and net assets	\$ 4,357	33,598	4,133,051	43,712	26,047,356	69,916	1,319,044	40,283	936,117

See accompanying independent auditors' report.

NEW ORLEANS MUSEUM OF ART
Combining Schedule of Financial Position
December 31, 2006

Assets	George Frieson (Purchase)	Robert Gordy (Art Purchase)	Benjamin J. Harrod (Art Purchase)	Carrie Elderich (Purchase)	Augusta M. Jordan (Art Purchase)	Mervin Morals (Art Purchase)	P.R. Norman (Art Purchase)	F.B. Richardson African (Art Purchase)
Current assets:								
Cash	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Receivables:								
Interest	-	-	-	-	-	-	-	-
Promises to give	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Prepaid assets and other assets	-	-	-	-	-	-	-	-
Due from/to other funds	-	-	-	-	-	-	-	-
Deposits and other	-	-	-	-	-	-	-	-
Total current assets	-	-	-	-	-	-	-	-
Promises to give	-	-	-	-	-	-	-	-
Investments, long-term	431,196	249,775	6,303	55,813	5,669	142,422	73,094	50,572
Investment - Real Property	-	-	-	-	-	-	-	-
Building improvements and equipment	-	-	-	-	-	-	-	-
Total assets	\$ 431,196	249,775	6,303	55,813	5,669	142,422	73,094	50,572
Liabilities and Net Assets								
Current liabilities:								
Accounts payable and other liabilities	-	-	-	-	-	-	-	-
Salaries, taxes, withholdings and pension payable	-	-	-	-	-	-	-	-
Accumulated unused sick and vacation	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Total current liabilities	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-
Net assets:								
Unrestricted	-	-	-	-	-	-	-	-
Restricted:								
Temporarily:								
Long-term restriction	374,870	203,978	2,952	17,387	2,281	123,730	53,896	41,314
Available for use	56,326	45,797	3,351	38,426	3,388	18,692	19,198	9,258
Permanently	-	-	-	-	-	-	-	-
Total net assets	431,196	249,775	6,303	55,813	5,669	142,422	73,094	50,572
Total liabilities and net assets	\$ 431,196	249,775	6,303	55,813	5,669	142,422	73,094	50,572

See accompanying independent auditors' report.

NEW ORLEANS MUSEUM OF ART
Combining Schedule of Financial Position
December 31, 2006

Assets	Carmen Donaldson (Art Purchase)	Martelle Silver (Art Purchase)	Alvin Merlin (Art Purchase)	Building Expansion Fund (Capital)	Brace Acquisition Fund (Art Purchase)	Joel Webstock (Art Purchase)	Folk Art (Art Purchase)	Asian Art (Art Purchase)
Current assets:								
Cash	-	-	-	-	-	-	-	-
Investments	-	57,527	-	283,417	-	-	70,658	130,003
Receivables:								
Interest	-	25	-	25	-	-	134	201
Promises to give	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Prepaid assets and other assets	-	-	-	-	-	-	-	-
Due from/to other funds	-	-	-	-	-	-	-	-
Deposits and other	-	-	-	-	-	-	-	-
Total current assets	-	57,552	-	283,442	-	-	70,792	130,204
Promises to give	-	-	-	-	-	-	-	-
Investments, long-term	189,352	-	13,661	28,081	929,177	50,075	67	427
Investment - Real Property	-	426,260	-	-	-	-	-	-
Building improvements and equipment	-	-	-	-	-	-	-	-
Total assets	\$ 189,352	\$ 483,812	\$ 13,661	\$ 311,523	\$ 929,177	\$ 50,075	\$ 70,859	\$ 130,631
Liabilities and Net Assets								
Current liabilities:								
Accounts payable and other liabilities	-	-	-	-	-	-	-	-
Salaries, taxes, withholdings and pension payable	-	-	-	-	-	-	-	-
Accumulated unused sick and vacation	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Total current liabilities	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-
Net assets:								
Unrestricted	-	-	-	-	-	-	-	-
Restricted:								
Temporarily:								
Long-term restriction	142,083	-	7,976	-	856,250	45,474	-	-
Available for use	47,269	483,812	5,685	311,523	72,927	4,601	70,859	130,631
Permanently	-	-	-	-	-	-	-	-
Total net assets	189,352	483,812	13,661	311,523	929,177	50,075	70,859	130,631
Total liabilities and net assets	\$ 189,352	\$ 483,812	\$ 13,661	\$ 311,523	\$ 929,177	\$ 50,075	\$ 70,859	\$ 130,631

See accompanying independent auditors' report.

NEW ORLEANS MUSEUM OF ART
Combining Schedule of Financial Position
December 31, 2006

Schedule 1

Assets	Elise Beethoff (Art Purchase)	Memory of Carl Adatto (Art Purchase)	George Dureau (Program)	Beethoff Sculpture Garden (Capital)	Booth Bricker (Computer Purchase)	Chapman H. Hyams 1951 (Gallery Maintenance)	Chapman H. Hyams 1952 (Gallery Maintenance)	George F. Lapeyre (Gallery Maintenance)	Starting Point (Program)
Current assets:									
Cash	-	-	-	-	-	-	-	-	-
Investments	-	2,075	11,306	254,269	28,952	-	-	-	40,099
Receivables:									
Interest	-	-	-	77	-	-	-	-	66
Promises to give	-	-	-	217,291	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Prepaid assets and other assets	-	-	-	-	-	-	-	-	-
Due from/to other funds	-	-	-	-	-	-	-	-	-
Deposits and other	-	-	-	-	-	-	-	-	-
Total current assets	-	2,075	11,306	471,637	28,952	-	-	-	40,165
Promises to give	-	-	-	26,570	-	-	-	-	-
Investments, long-term	52,949	-	154	-	-	82,513	6,472	60,515	-
Investment - Real Property	-	-	-	-	-	-	-	-	-
Building improvements and equipment	-	-	-	-	-	-	-	-	-
Total assets	\$ 52,949	2,075	11,460	498,207	28,952	82,513	6,472	60,515	40,165
Liabilities and Net Assets									
Current liabilities:									
Accounts payable and other liabilities	-	-	-	24,910	-	-	-	-	-
Salaries, taxes, withholdings and pension payable	-	-	-	-	-	-	-	-	-
Accumulated unused sick and vacation	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	95	-	-	-
Total current liabilities	-	-	-	24,910	-	95	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	24,910	-	95	-	-	-
Net assets:									
Unrestricted	-	-	-	-	-	-	-	-	-
Restricted:									
Temporarily:									
Long-term restriction	18,190	-	-	-	-	75,294	5,092	27,389	-
Available for use	34,759	2,075	11,460	473,297	28,952	7,124	1,380	33,126	40,165
Permanently	-	-	-	-	-	-	-	-	-
Total net assets	52,949	2,075	11,460	473,297	28,952	82,418	6,472	60,515	40,165
Total liabilities and net assets	\$ 52,949	2,075	11,460	498,207	28,952	82,513	6,472	60,515	40,165

See accompanying independent auditors' report.

NEW ORLEANS MUSEUM OF ART
Combining Schedule of Financial Position
December 31, 2006

Assets	M.D. Van Horn (Education)	Library (Books)	Ella West Freeman Foundation (Directorship)	RosaMary Foundation (Curatorship)	NVC Doerent (Program)	Zemurray Foundation (Curatorship)	Patrick F. Taylor (Scholar Program)	Weich Fund 2103
Current assets:								
Cash	-	-	-	-	-	-	-	-
Investments	-	85,939	-	-	34,605	-	-	2,427
Receivables:								
Interest	-	12	-	-	70	-	-	5
Promises to give	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Prepaid assets and other assets	-	-	-	-	-	-	-	-
Due from/to other funds	-	-	-	-	-	-	-	-
Deposits and other	-	-	-	-	-	-	-	-
Total current assets	-	85,951	-	-	34,675	-	-	2,432
Promises to give	-	-	-	-	-	-	-	-
Investments, long-term	3,885	772	429,995	430,644	-	430,217	121,259	-
Investment - Real Property	-	-	-	-	-	-	-	-
Building improvements and equipment	-	-	-	-	-	-	-	-
Total assets	3,885	86,723	429,995	430,644	34,675	430,217	121,259	2,432
Liabilities and Net Assets								
Current liabilities:								
Accounts payable and other liabilities	-	-	-	-	-	-	-	-
Salaries, taxes, withholdings and pension payable	-	-	-	-	-	-	-	-
Accumulated unused sick and vacation	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Total current liabilities	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-
Net assets:								
Unrestricted	-	-	-	-	-	-	-	-
Restricted:								
Temporarily:								
Long-term restriction	3,054	-	198,364	81,653	-	108,204	71,102	-
Available for use	831	86,723	231,631	348,991	34,675	322,013	50,157	2,432
Permanently	-	-	-	-	-	-	-	-
Total net assets	3,885	86,723	429,995	430,644	34,675	430,217	121,259	2,432
Total liabilities and net assets	3,885	86,723	429,995	430,644	34,675	430,217	121,259	2,432

See accompanying independent auditors' report.

NEW ORLEANS MUSEUM OF ART
Combining Schedule of Financial Position
December 31, 2006

Assets	Welch Fund 2203	NOMA African Travelling Exhibition	Temporary Exhibitions	Asian Art Decession Fund	M.D. Van Horn Remalader Trust (Program)	Subtotal Temporarily Restricted	Operating Endowment Principal	Boles (Art Purchase) Principal	George Fraser (Art Purchase) Principal
Current assets:									
Cash	\$ -	-	-	-	-	-	-	-	-
Investments	2,537	43,318	271,662	46,024	-	1,787,975	-	-	-
Receivables:									
Interest	5	33	63	92	-	1,657	358,000	-	-
Promises to give	-	-	-	-	-	217,291	-	-	-
Grants	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Prepaid assets and other assets	-	-	-	-	-	-	-	-	-
Due from/to other funds	-	-	-	-	-	-	-	-	-
Deposits and other	-	-	-	-	-	-	-	-	-
Total current assets	2,537	43,351	271,725	46,116	-	2,006,923	358,000	-	-
Promises to give	-	-	-	-	-	26,570	-	-	-
Investments, long-term	-	-	-	-	1,856	5,788,264	9,630,280	1,569,862	844,732
Investment - Real Property	-	-	-	-	-	426,260	-	-	-
Building improvements and equipment	-	-	-	-	-	-	-	-	-
Total assets	\$ 2,537	43,351	271,725	46,116	1,856	8,248,017	10,008,280	1,569,862	844,732
Liabilities and Net Assets									
Current liabilities:									
Accounts payable and other liabilities	-	-	-	-	-	24,911	-	-	-
Salaries, taxes, withholdings and pension payable	-	-	-	-	-	-	-	-	-
Accumulated unused sick and vacation	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	251	69,728	-	-	-
Total current liabilities	-	-	-	-	251	94,639	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	251	94,639	-	-	-
Net assets:									
Unrestricted	-	-	-	-	-	-	-	-	-
Restricted:									
Temporarily:									
Long-term restriction	-	-	-	-	-	3,057,133	-	-	-
Available for use	2,537	43,351	271,725	46,116	1,605	5,096,245	-	-	-
Permanently	-	-	-	-	-	-	10,008,280	1,569,862	844,732
Total net assets	2,537	43,351	271,725	46,116	1,605	8,153,378	10,008,280	1,569,862	844,732
Total liabilities and net assets	\$ 2,537	43,351	271,725	46,116	1,856	8,248,017	10,008,280	1,569,862	844,732

See accompanying independent auditors' report.

NEW ORLEANS MUSEUM OF ART
Combining Schedule of Financial Position
December 31, 2006

Schedule 1

Assets	Robert Gordy (Art Purchase) Principal	Benjamin J. Harrod (Art Purchase) Principal	Carrie Helderich (Art Purchase) Principal	Augusta M. Jourdan (Art Purchase) Principal	Mervin Morris (Art Purchase) Principal	P.R. Norman (Art Purchase) Principal	F.B. Richardson African Art (Art Purchase) Principal	Carmen Donaldson (Art Purchase) Principal	Elise Beathoff (Art Purchase) Principal
Current assets:									
Cash	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Receivables:									
Interest	-	-	-	-	-	-	-	-	-
Promises to give	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Prepaid assets and other assets	-	-	-	-	-	-	-	-	-
Due from/to other funds	-	-	-	-	-	-	-	-	-
Deposits and other	-	-	-	-	-	-	-	-	-
Total current assets	-	-	-	-	-	-	-	-	-
Promises to give	-	-	-	-	-	-	-	-	-
Investments, long-term	526,156	5,604	303,797	4,483	107,060	125,946	170,150	405,210	250,000
Investment - Real Property	-	-	10,000	-	-	-	-	-	-
Building improvements and equipment	-	-	-	-	-	-	-	-	-
Total assets	\$ 526,156	\$ 5,604	\$ 313,797	\$ 4,483	\$ 107,060	\$ 125,946	\$ 170,150	\$ 405,210	\$ 250,000
Liabilities and Net Assets									
Current liabilities:									
Accounts payable and other liabilities	-	-	-	-	-	-	-	-	-
Salaries, taxes, withholdings and pension payable	-	-	-	-	-	-	-	-	-
Accumulated unused sick and vacation	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Total current liabilities	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-
Net assets:									
Unrestricted	-	-	-	-	-	-	-	-	-
Restricted:									
Temporarily:									
Long-term restriction	-	-	-	-	-	-	-	-	-
Available for use	526,156	5,604	313,797	4,483	107,060	125,946	170,150	405,210	250,000
Permanently	-	-	-	-	-	-	-	-	-
Total net assets	526,156	5,604	313,797	4,483	107,060	125,946	170,150	405,210	250,000
Total liabilities and net assets	\$ 526,156	\$ 5,604	\$ 313,797	\$ 4,483	\$ 107,060	\$ 125,946	\$ 170,150	\$ 405,210	\$ 250,000

See accompanying independent auditors' report.

NEW ORLEANS MUSEUM OF ART
Combining Schedule of Financial Position
December 31, 2006

Schedule 1

Assets	Alvin Merlin (Art Purchase) Principal	Joel Weinstock (Art Purchase) Principal	Chapman H. Hyams 1951 (Gallery Maintenance) Principal	Chapman H. Hyams 1952 (Gallery Maintenance) Principal	George F. Lapeyre (Gallery Maintenance) Principal	M.D. Van Horn (Education) Principal	M.D. Van Horn Remainder Trust (Education) Principal	Ella West Freeman Foundation (Directorship) Principal
Current assets:								
Cash	\$ -	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Receivables:								
Interest	-	-	-	-	-	-	-	-
Promises to give	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Prepaid assets and other assets	-	-	-	-	-	-	-	-
Due from/to other funds	-	-	-	-	-	-	-	-
Deposits and other	-	-	-	-	-	-	-	-
Total current assets	-	-	-	-	-	-	-	-
Promises to give	-	-	-	-	-	-	-	-
Investments, long-term	22,294	126,367	58,286	4,460	56,036	9,066	31,872	1,000,000
Investment - Real Property	-	-	-	-	-	-	-	-
Building improvements and equipment	-	-	-	-	-	-	-	-
Total assets	\$ 22,294	126,367	58,286	4,460	56,036	9,066	31,872	1,000,000
Liabilities and Net Assets								
Current liabilities:								
Accounts payable and other liabilities	-	-	-	-	-	-	-	-
Salaries, taxes, withholdings and pension payable	-	-	-	-	-	-	-	-
Accumulated unused sick and vacation	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Total current liabilities	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	26,533	-
Total liabilities	-	-	-	-	-	-	26,533	-
Net assets:								
Unrestricted	-	-	-	-	-	-	-	-
Restricted:								
Temporarily:								
Long-term restriction	-	-	-	-	-	-	-	-
Available for use	-	-	-	-	-	-	-	-
Permanently	22,294	126,367	58,286	4,460	56,036	9,066	5,339	1,000,000
Total net assets	22,294	126,367	58,286	4,460	56,036	9,066	5,339	1,000,000
Total liabilities and net assets	\$ 22,294	126,367	58,286	4,460	56,036	9,066	31,872	1,000,000

See accompanying independent auditors' report.

NEW ORLEANS MUSEUM OF ART
Combining Schedule of Financial Position
December 31, 2006

Assets	Rosa Mary Foundation Decorative Arts (Curatorship) Principal	Zemurray Curatorial Foundation (Curatorship) Principal	Patrick F. Taylor (Scholar) Principal	Subtotal Permanently Restricted	2006 Total
Current assets:					
Cash	-	-	-	-	90,304
Investments	-	-	-	-	6,845,468
Receivables:					
Interest	-	-	-	-	3,623
Promises to give	-	-	-	358,000	575,291
Grants	-	-	-	-	241,744
Inventories	-	-	-	-	255,247
Prepaid assets and other assets	-	-	-	-	62,184
Due from/to other funds	-	-	-	-	144,006
Deposits and other	-	-	-	-	7,390
Total current assets	-	-	-	358,000	8,225,257
Promises to give	-	-	-	-	26,570
Investments, long-term	1,000,000	1,000,000	357,143	17,628,804	28,748,378
Investment - Real Property	-	-	-	10,000	436,260
Building improvements and equipment	-	-	-	-	14,855,712
Total assets	1,000,000	1,000,000	357,143	17,996,804	52,292,177
	\$				
Liabilities and Net Assets					
Current liabilities:					
Accounts payable and other liabilities	-	-	-	-	334,233
Salaries, taxes, withholdings and pension payable	-	-	-	-	83,844
Accumulated unused sick and vacation	-	-	-	-	620,710
Due to other funds	-	-	-	-	144,006
Total current liabilities	-	-	-	-	1,182,793
Other liabilities	-	-	-	26,533	26,533
Total liabilities	-	-	-	26,533	1,209,326
Net assets:					
Unrestricted	-	-	-	-	24,949,202
Restricted:					
Temporarily:					
Long-term restriction	-	-	-	-	3,057,133
Available for use	-	-	-	-	5,096,245
Permanently	1,000,000	1,000,000	357,143	17,970,271	17,970,271
Total net assets	1,000,000	1,000,000	357,143	17,970,271	51,082,851
Total liabilities and net assets	1,000,000	1,000,000	357,143	17,996,804	52,292,177
	\$				

See accompanying independent auditors' report.

NEW ORLEANS MUSEUM OF ART
Combining Schedule of Activities, Unrestricted Net Assets
Year ended December 31, 2006

	Operating		NOMA Volunteer Committee (Operating)	Fellow Reserve (Operating)	Delegado Society (Program)	Partners in Art (Program)	Advocate (Program)	Champions (Program)	Collector's Society (Program)
	Operating	Building Equipment and Endowment (Board Designated)							
Support and revenue:									
Support:									
City, State and Federal grants	326,821	-	-	-	-	-	-	-	-
Individual contributions	687,298	-	6,250	-	-	-	-	-	3,509
Corporate and other support	52,851	-	-	-	-	-	-	-	-
Affiliate memberships	130,500	-	-	49,776	25,600	16,405	2,035	1,440	5,600
Odeyssey Ball, net of direct expenses	-	-	304,500	-	-	-	-	-	-
Special benefits, net of direct expenses	-	-	91,143	-	-	-	-	-	-
Foundations	86,845	-	-	-	-	-	-	-	-
Legacies	-	134,000	-	-	-	-	-	-	-
Total support	1,284,315	134,000	401,893	49,776	25,600	16,405	2,035	1,440	9,109
Revenue:									
General membership dues	286,186	-	16,760	-	-	-	-	-	-
Business and university memberships	14,253	-	-	-	-	-	-	-	-
Admission charges	52,449	-	-	-	-	-	-	-	-
Art Quarterly and other publications	124,182	-	-	-	-	-	-	-	-
Education programs	13,889	-	-	-	-	-	-	-	-
Exhibition programs	43,050	-	-	-	-	-	-	-	-
Private viewings	123,934	-	-	-	-	-	-	-	-
Members' events	3,812	-	389	-	105	-	-	-	2,800
Interest and dividends	48,692	84,742	4,763	8,796	1,072	579	386	104	1,240
Net appreciation in investments	9,825	1,681,025	-	2,313	92	-	-	-	-
Royalties	5,107	-	-	-	-	-	-	-	-
Museum shop	157,233	-	-	-	-	-	-	-	-
Total revenues	885,612	1,765,767	21,912	11,109	1,269	579	386	104	4,040
Total revenue and support before net assets released from restrictions/transfers	2,170,927	1,899,767	423,805	31,109	26,869	16,984	2,421	1,544	13,149
Net assets released from restrictions/transfers:									
Transfers	82,220	-	-	-	-	-	-	-	-
Net assets released from restrictions	1,618,759	(628,290)	(378,559)	-	-	-	-	-	33,580
Total net assets released/transfers	1,700,979	(628,290)	(378,559)	-	-	-	-	-	33,580
Total revenue and support	3,871,906	1,271,477	45,246	11,109	26,869	16,984	2,421	1,544	46,729
Expenses:									
Administrative	683,493	1,993	6,923	-	4,745	4,643	-	-	-
Security	449,454	2,316	-	-	-	-	-	-	-
Building/Sculpture Garden	305,250	23,108	-	-	-	-	-	-	-
Computer Operations	76,359	2,639	-	-	-	-	-	-	-
Museum shop	140,375	15,998	-	-	-	-	-	-	-
Museum café	1,466	12,120	-	-	-	-	-	-	-
Art division:									
Collections	652,467	366,495	-	-	-	-	-	-	-
Art occasions	56,643	-	-	-	-	-	-	-	400
Exhibition programs	303,558	47,562	-	-	-	-	-	-	-
Art Quarterly	88,007	-	-	-	-	-	-	-	-
Education programs	88,938	51,979	-	-	-	-	-	-	-
Development and fund raising	304,884	14,436	14,884	-	-	-	-	-	-
Kabrina recovery	252,493	-	-	-	-	-	-	-	-
Member activities	32,978	-	-	-	-	-	-	-	2,617
Restricted expenses	23,577	-	-	1,084	-	-	-	-	-
Total expenses	3,461,942	538,646	21,807	1,084	4,745	4,643	-	-	3,017
Changes in net assets	409,964	(267,169)	23,439	10,025	22,124	12,341	2,421	1,544	43,712
Net assets, beginning of year	174,108	15,359,109	128,842	233,057	28,564	15,656	10,436	2,813	43,712
Net assets, end of year	\$ 584,072	\$ 14,820,463	\$ 152,281	\$ 243,082	\$ 50,688	\$ 27,997	\$ 12,857	\$ 4,357	\$ 43,712

See accompanying independent auditor's report.

NEW ORLEANS MUSEUM OF ART
Combining Schedule of Activities, Unrestricted Net Assets
Year ended December 31, 2006

1

Support and revenue:	Friends of Photography (Program)	Friends of Ethnographic Art (Program)	Friends of Printing and Drawing (Program)	Friends of Asian Art (Program)	Friends of Decorative Art (Program)	Friends of Contemporary Art (Program)	Friends of The Sculpture Garden	Edith Stern (Program)	Katrina Relief (Operating)	2006 Total
Support:										
City, State and Federal grants	-	-	-	-	-	-	-	-	-	326,821
Individual contributions	-	-	-	-	-	-	-	-	1,780,865	2,477,922
Corporate and other support	-	-	-	-	-	-	-	-	105,000	157,851
Affiliate memberships	-	-	-	-	-	-	-	-	-	231,356
Odeyssey Ball, net of direct expenses	-	-	-	-	-	-	-	-	-	304,500
Special benefits, net of direct expenses	-	-	-	-	-	-	-	-	-	91,143
Foundations	-	-	-	-	-	-	-	-	1,329,450	1,416,295
Legacies	-	-	-	-	-	-	-	-	-	134,000
Total support	-	-	-	-	-	-	-	-	3,215,315	5,135,888
Revenue:										
General membership dues	-	-	-	-	-	-	-	-	-	302,946
Business and university memberships	-	-	-	-	-	-	-	-	-	14,253
Admission charges	-	-	-	-	-	-	-	-	-	52,449
Arts Quarterly and other publications	-	-	-	-	-	-	-	-	24,214	148,396
Education programs	-	-	-	-	-	-	-	-	-	13,889
Exhibition programs	-	-	-	-	-	-	-	-	-	43,050
Private viewings	-	-	-	-	-	-	-	-	-	127,994
Members' events	-	-	-	-	-	-	-	-	-	7,106
Interest and dividends	-	-	-	-	-	-	-	1,219	71,637	225,953
Net appreciation in investments	-	-	-	-	-	-	-	168	-	1,694,161
Royalties	-	-	-	-	-	-	-	-	-	5,107
Museum shop	-	-	-	-	-	-	-	-	-	157,233
Total revenues	-	-	-	-	-	-	-	1,387	95,871	2,792,477
Total revenue and support before net assets released from restrictions/transfers	-	-	-	-	-	-	-	1,387	3,311,186	7,932,365
Net assets released from restrictions/transfers:										
Transfers	(5,635)	(1,940)	(4,141)	(925)	(4,681)	(16,256)	(855)	-	-	82,220
Total net assets released/transfers	(5,635)	(1,940)	(4,141)	(925)	(4,681)	(16,256)	(855)	-	(319,884)	291,173
Total revenue and support	(5,635)	(1,940)	(4,141)	(925)	(4,681)	(16,256)	(855)	1,387	2,991,302	8,305,758
Expenses:										
Administrative	-	-	-	-	-	-	-	-	-	722,577
Security	-	-	-	-	-	-	-	-	-	451,770
Building/Sculpture Garden	-	-	-	-	-	-	-	-	-	328,338
Computer Operations	-	-	-	-	-	-	-	-	-	78,998
Museum shop	-	-	-	-	-	-	-	-	-	156,373
Museum cafe	-	-	-	-	-	-	-	-	-	13,586
Art division:										
Collections	-	-	-	-	-	-	-	-	-	1,018,962
Art occasions	-	-	-	-	-	-	-	-	-	57,043
Exhibition programs	-	-	-	-	-	-	-	-	-	351,120
Arts Quarterly	-	-	-	-	-	-	-	-	-	88,007
Education programs	-	-	-	-	-	-	-	-	-	140,917
Development and fund raising	-	-	-	-	-	-	-	-	-	334,204
Katrina recovery	-	-	-	-	-	-	-	-	265,224	517,717
Member activities	-	-	-	-	-	-	-	-	-	35,595
Restricted expenses	-	-	-	-	-	-	-	-	-	26,661
Total expenses	-	-	-	-	-	-	-	-	265,224	4,326,888
Change in net assets	(5,635)	(1,940)	(4,141)	(925)	(4,681)	(16,256)	(855)	1,387	2,726,078	3,978,870
Net assets, beginning of year	5,635	1,940	4,141	925	4,681	16,256	855	32,211	1,406,978	20,980,352
Net assets, end of year	-	-	-	-	-	-	-	33,598	4,133,051	24,959,222

See accompanying independent auditors' report.

NEW ORLEANS MUSEUM OF ART
Combining Schedule of Activities, Temporarily Restricted Net Assets
Year ended December 31, 2006

	NOMA (Art Purchase)	Deaccessions (Art Purchase)	Colomb House Foundation (Art Purchase)	Portrait Miniature (Art Purchase)	Boks (Art Purchase)	George Friesen (Art Purchase)	Robert Gordy (Art Purchase)	Benjamin J. Harrod (Art Purchase)	Carris Hedderich (Art Purchase)	Augusta M. Jourd'as (Art Purchase)
Support and revenue:										
Support:										
Individual contributions	-	41,172	-	-	-	-	-	-	-	-
City, State and Federal grants	-	45,000	-	-	-	-	-	-	-	-
Corporate support	-	-	-	-	-	-	-	-	-	-
Legacies and bequests	-	21,132	69,916	-	-	-	-	-	-	-
Foundations	-	-	-	-	-	-	-	-	-	-
Total support	-	107,304	69,916	-	-	-	-	-	-	-
Revenue:										
Programs	-	-	-	-	-	-	-	-	-	-
Interest and dividends	-	19,062	-	1,434	15,645	7,963	4,702	74	2,852	63
Net appreciation in investments	-	189,900	-	-	202,705	109,281	70,944	964	35,576	822
Deaccessions	-	74,514	-	-	-	-	-	-	-	-
Total revenue	-	283,476	-	1,434	218,350	111,244	75,646	1,038	38,428	885
Total revenue and support before net assets released	-	390,780	69,916	1,434	218,350	111,244	75,646	1,038	38,428	885
Net assets released from restrictions/transfers:										
Net assets released from restrictions:										
Art division - art accessions	-	(12,108)	-	-	(390)	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-	-	-	-	-
Restricted expenses	-	(366)	-	-	-	-	(3,694)	-	-	-
Total net assets released	-	(12,474)	-	-	(390)	-	(3,694)	-	-	-
Transfers										
Total net assets released/transfers	164,213	(164,213)	-	-	-	-	-	-	-	-
Changes in net assets	164,213	(176,687)	-	-	(390)	-	(3,694)	-	-	-
Net assets, beginning of year	164,213	214,093	69,916	1,434	217,960	111,244	71,952	1,038	38,428	885
Net assets, end of year	(164,213)	1,035,568	-	38,849	718,137	319,952	177,823	5,265	17,385	4,784
	-	1,249,661	69,916	40,283	936,117	431,196	249,775	6,303	55,813	5,669

See accompanying independent auditors' report.

(Continued)

NEW ORLEANS MUSEUM OF ART
Combining Schedule of Activities, Temporarily Restricted Net Assets
Year ended December 31, 2006

	Mervin Morris (Art Purchase)	P.R. Norman (Art Purchase)	R.B. Richardson African (Art Purchase)	Carmen Desautels (Art Purchase)	Marjorie Silver (Art Purchase)	Alvin Merlin (Art Purchase)	New York Gala (Operating)	Brace Acquisition Fund (Art Purchase)	Jed Weinstein (Art Purchase)	Folk Art (Art Purchase)
Support and revenue:										
Support:										
Individual contributions	-	-	-	-	45,000	-	-	-	-	-
City, State and Federal grants	-	-	-	-	-	-	-	-	-	-
Corporate support	-	-	-	-	-	-	-	-	-	-
Legacies and bequests	-	-	-	-	-	-	-	-	-	-
Foundations	-	-	-	-	-	-	-	-	-	-
Total support	-	-	-	-	45,000	-	-	-	-	-
Revenue:										
Programs										
Interest and dividends	3,323	1,235	1,534	3,802	993	225	-	5,805	1,173	2,530
Net appreciation in investments	19,353	16,379	11,665	47,453	-	2,910	-	74,986	15,338	47
Deaccessions	-	-	-	-	-	-	-	-	-	-
Total revenue	22,676	17,614	13,199	51,255	993	3,135	-	80,791	16,511	2,577
Total revenue and support before net assets released	22,676	17,614	13,199	51,255	45,993	3,135	-	80,791	16,511	2,577
Net assets released from restrictions/transfers:										
Net assets released from restrictions:										
Art division - art acquisitions	(495)	-	-	-	-	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-	-	-	-	-
Restricted expenses	(1,027)	-	-	-	(324)	-	-	-	-	-
Total net assets released	(1,522)	-	-	-	(324)	-	-	-	-	-
Transfers										
Total net assets released/transfers	(1,522)	-	-	-	(324)	-	(55,116)	-	-	-
Changes in net assets	21,154	17,614	13,199	51,255	45,669	3,135	(55,116)	80,791	16,511	2,577
Net assets, beginning of year	121,268	55,480	37,373	138,097	438,143	10,526	55,116	848,386	33,564	68,282
Net assets, end of year	\$ 142,422	\$ 73,094	\$ 50,572	\$ 189,352	\$ 483,812	\$ 13,661	\$ -	\$ 929,177	\$ 50,075	\$ 70,859

See accompanying independent auditors' report.

(Continued)

NEW ORLEANS MUSEUM OF ART
Combining Schedule of Activities, Temporarily Restricted Net Assets
Year ended December 31, 2006

	Asian Art (Art Acquisitions)	Elise Berroff (Art Purchase)	Asian Descensions (Art Purchase)	George Dureau (Program)	Curl Adatto (Art Purchase)	Restoff Sealpore Garden (Capital)	Booth Bricker (Computer Purchase)	Chapman H. Hyams 1951 (Gallery Maintenance)	Chapman H. Hyams 1952 (Gallery Maintenance)	George F. Lapierre (Gallery Maintenance)
Support and revenue:										
Support:										
Individual contributions	-	-	-	-	2,075	7,440	-	-	-	-
City, State and Federal grants	-	-	-	-	-	-	-	-	-	-
Corporate support	-	-	-	-	-	-	-	-	-	-
Legacies and bequests	-	-	-	-	-	-	-	-	-	-
Foundations	-	10,495	-	-	-	6,500	-	-	-	-
Total support	-	10,495	-	-	2,075	13,940	-	-	-	-
Revenue:										
Programs	-	-	-	-	-	-	-	-	-	-
Interest and dividends	4,694	2,439	1,602	423	-	1,349	-	5,451	474	728
Net appreciation in investments	301	25,553	-	108	-	-	-	10,147	945	9,434
Descensions	-	-	1,150	-	-	-	-	-	-	-
Total revenue	4,995	27,992	2,752	531	-	1,349	-	15,598	1,419	10,162
Total revenue and support before net assets released	4,995	38,487	2,752	531	2,075	15,289	-	15,598	1,419	10,162
Net assets released from restrictions/transfers:										
Net assets released from restrictions:										
Art division - art accessions	-	(43,650)	-	-	-	(680)	-	-	-	-
Capital Outlays	-	-	-	-	-	(494)	-	(583)	(64)	-
Restricted expenses	-	-	-	-	-	(1,174)	-	(583)	(64)	-
Total net assets released	-	(43,650)	-	-	-	8,080	-	-	-	-
Transfers										
Total net assets released/transfers	-	(43,650)	-	-	-	6,906	-	(583)	(64)	-
Changes in net assets	4,995	(5,163)	2,752	531	2,075	22,195	-	15,015	1,355	10,162
Net assets, beginning of year	125,636	58,112	43,364	10,929	-	451,102	28,952	67,403	5,117	50,353
Net assets, end of year	\$ 130,631	\$ 52,949	\$ 46,116	\$ 11,460	\$ 2,075	\$ 473,297	\$ 28,952	\$ 82,418	\$ 6,472	\$ 60,515

(Continued)

See accompanying independent auditors' report.

NEW ORLEANS MUSEUM OF ART
Combining Schedule of Activities, Temporarily Restricted Net Assets
Year ended December 31, 2006

	Starting Point (Programs)	M.D. Van Horn (Education)	Library (Books)	Ellie West Freeman Foundation (Directorship)	Rosa Mary Foundation (Curatorship)	NVC Decent (Programs)	Zemurray Foundation (Curatorship)	Patrick F. Taylor (Scholar Program)	Building Expenses (Capital)	Welch Fund 2103
Support and revenue:										
Support:										
Individual contributions	-	-	23,336	-	-	305	-	-	-	-
City, State and Federal grants	-	-	-	-	-	-	-	-	-	-
Corporate support	-	-	-	-	-	-	-	-	-	-
Legacies and bequests	-	-	-	-	-	-	-	-	-	-
Foundations	7,813	-	-	-	-	-	-	-	-	-
Total support	7,813	-	23,336	-	-	305	-	-	-	-
Revenue:										
Programs	-	-	-	-	-	-	-	-	-	-
Interest and dividends	1,151	85	2,333	9,383	9,382	1,224	9,383	3,352	11,031	87
Net appreciation in investments	-	1,233	544	200,367	199,656	-	200,256	41,824	15,121	-
Deaccessions	-	-	-	-	-	-	-	-	-	-
Total revenue	1,151	1,318	2,877	209,950	209,038	1,224	209,639	45,176	26,152	87
Total revenue and support before net assets released	8,964	1,318	26,213	209,950	209,038	1,529	209,639	45,176	26,152	87
Net assets released from restrictions/transfers:										
Net assets released from restrictions:										
Art division - art accessions	-	-	-	-	-	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-	-	-	-	-
Restricted expenses	-	-	-	-	-	-	-	(16,950)	(154)	-
Total net assets released	-	-	-	-	-	-	-	(16,950)	(154)	-
Transfer										
Total net assets released/transfers	-	(638)	-	(67,855)	(67,206)	-	(67,633)	(24,593)	-	-
Changes in net assets	8,964	680	26,213	142,095	141,832	1,529	142,006	3,631	25,998	87
Net assets, beginning of year	31,201	3,205	60,510	287,900	288,812	33,146	288,211	117,628	285,525	2,345
Net assets, end of year	\$ 40,165	\$ 3,885	\$ 86,723	\$ 429,995	\$ 430,644	\$ 34,675	\$ 430,217	\$ 121,259	\$ 311,523	\$ 2,432

See accompanying independent auditors' report.

(Continued)

NEW ORLEANS MUSEUM OF ART
Combining Schedule of Activities, Temporarily Restricted Net Assets
Year ended December 31, 2006

	Wells Fund 2003	NOMA African Art Traveling Exhibitions	M.D. Van Horn Remahder Trust (Program)	2006 Total
Support and revenue:				
Support:				
Individual contributions	-	-	-	134,328
City, State and Federal grants	-	15,000	-	45,000
Corporate support	-	-	-	27,000
Legacies and bequests	-	27,000	-	91,048
Foundations	-	-	-	184,808
Total support	-	160,000	-	482,184
Revenue:				
Programs	-	27,173	-	27,173
Interest and dividends	90	576	6,750	145,496
Net appreciation in investments	-	-	-	1,498,012
Deaccessions	-	-	-	75,664
Total revenue	90	27,749	6,750	1,746,345
Total revenue and support before net assets released	90	27,749	6,750	2,228,529
Net assets released from restrictions/transfers:				
Net assets released from restrictions:				
Art division - art accessions	-	-	-	(56,643)
Capital Outlays	-	-	(341)	(1,221)
Restricted expenses	-	-	(250)	(24,356)
Total net assets released	-	-	(250)	(82,220)
Transfers	-	-	-	(291,173)
Total net assets released/transfers	-	-	(250)	(373,393)
Changes in net assets	90	27,749	6,500	1,855,136
Net assets, beginning of year	2,447	15,602	(4,895)	6,298,242
Net assets, end of year	2,537	43,351	1,605	8,153,378

See accompanying independent auditors' report.

NEW ORLEANS MUSEUM OF ART
Combining Schedule of Activities, Permanently Restricted Net Assets
Year ended December 31, 2006

	Operating Endowment	Bates (Art Purchase) Principal	George Frierson (Art Purchase) Principal	Robert Gordy (Art Purchase) Principal	Benjamin J. Harrod (Art Purchase) Principal	Carrie Heiderich (Art Purchase) Principal	Augusta M. Jourdan (Art Purchase) Principal	Mervin Morris (Art Purchase) Principal	P.R. Norman (Art Purchase) Principal	F.R. Richardson African Art (Art Purchase) Principal
Support and revenue:										
Support -										
Individual contributions	\$ 50,000	-	-	-	-	-	-	-	1,925	-
Legacies and bequests	2,530	-	-	-	-	-	-	-	-	-
Revenue -										
Deaccessions	-	-	-	25,050	-	-	-	7,060	-	-
Changes in net assets	52,530	-	-	25,050	-	-	-	7,060	1,925	-
Net assets, beginning of year	9,955,750	1,569,862	844,732	501,106	5,604	313,797	4,483	100,000	124,021	170,150
Net assets, end of year	\$ 10,008,280	1,569,862	844,732	526,156	5,604	313,797	4,483	107,060	125,946	170,150

(Continued)

See accompanying independent auditors' report.

NEW ORLEANS MUSEUM OF ART
Combining Schedule of Activities, Permanently Restricted Net Assets
Year ended December 31, 2006

	Carmen Donaldson (Art Purchase) Principal	Elise Bertoff (Art Purchase) Principal	Alvin Merlin Acquisition (Art Purchase) Principal	Joel Weinstock (Art Purchase) Principal	Chapman H. Hyams 1951 (Gallery Maintenance) Principal	Chapman H. Hyams 1952 (Gallery Maintenance) Principal	George F. Lapeyre (Gallery Maintenance) Principal	M.D. Van Horn Reminadeur Trust (Education) Principal	Ellie West Freeman Foundation (Directorship) Principal
Support and revenue:									
Support -									
Individual contributions	\$ -	-	-	1,450	-	-	-	-	-
Legacies and bequests	-	-	-	-	-	-	-	-	-
Revenue -									
Donations	-	-	-	-	-	-	-	-	-
Changes in net assets									
Net assets, beginning of year	405,210	250,000	22,294	124,917	58,286	4,460	56,036	5,339	1,000,000
Net assets, end of year	\$ 405,210	250,000	22,294	126,367	58,286	4,460	56,036	5,339	1,000,000

(Continued)

See accompanying independent auditors' report.

NEW ORLEANS MUSEUM OF ART
Combining Schedule of Activities, Permanently Restricted Net Assets
Year ended December 31, 2006

	ResMary Foundation (Curatorship) Principal	Zenurrey Foundation (Curatorship) Principal	Patrick F. Taylor (Scholar Program) Principal	2006 Total
Support and revenue:				
Support -				
Individual contributions	-	-	-	53,375
Legacies and bequests	-	-	-	2,530
Revenue -				
Deaccessions	-	-	-	32,110
Changes in net assets				
Net assets, beginning of year	1,000,000	1,000,000	357,143	17,882,256
Net assets, end of year	\$ 1,000,000	1,000,000	357,143	17,970,271

See accompanying independent auditors' report.



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Board of Trustees
New Orleans Museum of Art:

We have audited the financial statements of the New Orleans Museum of Art (the Museum) as of and for the year ended December 31, 2006, and have issued our report thereon dated June 30, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Museum's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Museum's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Museum's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Museum's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Museum's financial statements that is more than inconsequential will not be prevented or detected by the Museum's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Museum's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Museum's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the Museum, the Museum's management; federal, state and city awarding agencies; and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Postlethwaite & Neville

Metairie, Louisiana
June 30, 2007